

1 carried with it, tax on real estate sufficient to pay the
2 principal over the period of time it was to be amortized and
3 interest as the interest accrued which, of course, declined
4 as the payments on principal were made. So you had a sure
5 basis for the payment of your indebtedness.

6 Now, when you are ready to sell bonds, you go out
7 into the marketplace. The marketplace is the public. Bond
8 issues are purchased in open bidding by syndicates of
9 bankers, investment houses; these investment houses, these
10 syndicates are made up sometimes of 30, 40 or 50 banks in
11 one group and 40, 50 or 60 banks in another group or invest-
12 ment houses, sometimes fewer, sometimes a third syndicate.
13 Then on the day when the bidding is open, out to the third,
14 fourth, fifth or sixth decimal point, you determined who is
15 giving the State of Maryland the most money for its bonds or,
16 in reverse, who is requiring the State to pay the least
17 interest.

18 Or, putting it still another way, does the
19 investor get a larger yield or a smaller yield? There
20 evolved in connection with our bond issues a form of bond
21 where each year there was a particular bond requirement for